Unknown

From: Governor Sarah Palin (GOV sponsored) [governor@alaska.gov]
Sent: Saturday, November 03, 2007 11:12 AM
To: Smith; Lynne M (GOV)
Subject: FW: November 02, 2007 State Chamber E-News

From: Wayne Stevens [mailto:wstevens@alaskachamber.com]
Sent: Friday, November 02, 2007 4:18 PM
To: Governor Sarah Palin (GOV sponsored)
Subject: November 02, 2007 State Chamber E-News

Alaska State Chamber of Commerce

November 02, 2007 E-News

Deadline to Submit Positions for Legislative Tie-in - November 15

The Alaska State Chamber of Commerce Legislative Tie-in is set for November 29 and 30 at the Hilton Anchorage Hotel. All State Chamber members are encouraged to attend and participate in this important opportunity to help set Legislative Priorities for the upcoming 2008 Legislative Session.

The State Chamber will use this event to establish our priority positions supported by concise action items needed to achieve each position. Positions must have statewide impact and be consistent with the State Chamber's mission. You can read it online by clicking here.
Each position submitted must have a representative available at the Tie-in to make a live presentation of the position and explain the reasoning and support for the position. Each position must have close adherence to the format suggestions, especially financial impact; and strict adherence to the submittal deadline.

All priorities and positions adopted by the State Chamber and now posted on our web site here, will be set aside, and must be resubmitted for consideration. If there is a position or priority that the State Chamber currently has on its 2007 list that you believe needs to be on the list for 2008, you must resubmit it in the format requested and be prepared to speak to the position at the event on November 29.

The deadline for submission of proposed positions is the close of business on November 15, 2007, preferably in PDF format. Position statements submitted after November 15 must receive a two-thirds vote of those present on November 29 to be considered for action.

Ground rules as established for the meeting and the format required for submissions is on-line at our web site. To read the rules and see the format required click here.

E-mail your proposed positions to wstevens@alaskachamber.com by November 15, 2007.
The proposals approved by the legislative committee will be posted on the State Chamber website at www.alaskachamber.com

Hard copies of the packet will be available and distributed to the membership prior to the start of the Legislative Tie-in meeting.

"Creating Opportunity, Removing Barriers"

Register On-line To Attend 2007 Legislative Tie-In

Don't miss the most important Alaska State Chamber meeting of the year!

The Alaska State Chamber of Commerce's 2007 Legislative Tie-In, "Creating Opportunity, Removing Barriers", is set for November 29 and 30 at the Hilton Anchorage Hotel. All State Chamber members are encouraged to attend and participate in this important opportunity to help set Legislative Priorities for the upcoming 2008 Legislative Session.

Attend the legislative position discussions with the luncheon and networking reception included for $75. The luncheon only is $35 and the networking reception only is $25. Both the Luncheon and the reception may be reserved separately. All events are at the Hilton Anchorage Hotel. Seating is limited. Click here to register for the event on-line.

The Hilton Anchorage Hotel is offering a discounted room rate of $92.00 to Tie-In participants. To reserve call (907) 272-7411 or 1-800-HILTONS and mention the Legislative Tie-Code code: ASC.

The 2007 Legislative Tie-In Luncheon will feature Dr. James A. Caillier, Executive Director of the Patrick F. Taylor Foundation. Dr. Caillier will present on the merits of The Taylor Plan. The Taylor Plan lays the groundwork for high school students to achieve their goals by motivating them to earn a state-funded, merit-based opportunity to further their education and realize their ambitions. For more information visit www.taylorplan.com

A Networking Reception will follow the legislative priorities vote from 5:00 until 7:00 p.m. Register to meet and mingle with the State Chamber board of directors, statewide business members and attending legislators. Discuss the implications of the legislative priorities and position on the upcoming session while enjoying scenic views of Anchorage in the Hilton Anchorage Chart Room on the 10th floor.

State Chamber Committees Looking for Members to Participate

The Alaska State Chamber of Commerce Communications Committee and the Membership Committee are looking for volunteers interested in helping to grow our membership and implement our Communications Plan. Committees typically meet every couple of weeks via teleconference for less than an hour.

The Communications Committee, Chaired by Heidi Franklin of Pebble Limited Partnership, is next meeting on Monday November 5. The committee is working on the development of plans to help publicize our Legislative Tie-in and the priorities we adopt for the upcoming Legislative Session.

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The Communications Committee's purpose is to develop plans, programs and policies that clearly and consistently carry the various messages of the State Chamber, through a variety of communication vehicles, to its constituents, members, employees, collaborators, the business community, policy makers and the public. Inform members and other organizations, as appropriate, about State Chamber events and activities.

Tasks

- Develop a strategic communication plan.
- Ensure the ASCC strategic communication plan is implemented and updated.
- Plan the annual committee work plan.
- Assist in planning editorial content for ASCC publications.
- Assist in providing content for the website.
- Assist other committees in communicating with members.
- Provide the media with information about ASCC issues.

The Membership Committee Co-Chaired by Caroline Higgins of TOTE and Mary Ann Pease of MAP Consulting are looking to grow membership and need volunteers to help plan strategy and implementation of concerted efforts to accomplish this goal.

The Membership Committee's purpose is to assist in the development of a membership strategy that continually increases new members and retains existing members. Look for opportunities to provide added value for our members.

Tasks

- Develop an annual membership campaign to attract new members.
- Develop strategies to retain current members.
- Assist in the development of membership materials.
- Recommend added-value membership programs.
- Periodically review membership structure and dues.

If you have an interest in helping out on any committee of the State Chamber or have questions, please contact Wayne Stevens at 907-586-2010 or via e-mail at wstevens@alaskachamber.com
Your participation and input is welcomed and appreciated.

PRA_GSP01_0007390

Unknown

From: gov.sarah@yahoo.com

Sent: Saturday, November 03, 2007 6:48 PM

To: Frye; Ivy J (DOA)

Subject: Fw: Press Release: Governor Palin Pleased with Senate Committee's Work

IMMEDIATE RELEASE **No. 07-217**

Governor Palin Pleased with Senate Committee's Work

November 3, 2007, Juneau, Alaska – Governor Sarah Palin today expressed her appreciation for the work of Senate Judiciary in moving ACES from committee.

"I am pleased to see the Senate Judiciary Committee work together in a cooperative manner to produce a solution that is reasonable and consistent with the principals we incorporated into ACES," Governor Palin said. "I hope all Alaskans will join me in applauding the efforts of these legislators. I am particularly happy that the Senate Committee included the 25 percent tax rate to ensure Alaska gets an equitable share of our resources. I am also pleased they added language to reflect their commitment to save our surplus for the future."

The ACES bill is now headed to the Senate Finance Committee.

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Unknown

From: Thompson, Barbara A (EED) [barbara.thompson@alaska.gov]
Sent: Saturday, November 03, 2007 9:15 AM
To: Palin; Sarah (GOV sponsored); Smith; Lynne M (GOV)
Cc: Tibbles; Michael A (GOV); Perry; Kristina Y (GOV)
Subject: Re: Drop outs

Eric Fry has the names of the schools. We have written a letter to the editor response to circulate to newspapers. The study was very flawed. Eric Fry and I called Mat Su and Fairbanks superintendents personally to talk about how flawed and unfair the report was. additionally, EED was misquoted. This article was unfair to districts that are struggling to fix the dropout problem. Bat

----- Original Message -----

From: Palin, Sarah (GOV sponsored)

To: Thompson, Barbara A (EED); Smith, Lynne M (GOV)

Cc: Tibbles, Michael A (GOV); Perry, Kristina Y (GOV)

Sent: Sat Nov 03 07:55:55 2007

Subject: Drop outs

Lynne: pls get me the names of schools John Hopkins released (cruelly) re: "drop out factories"... what a slam. I've already spoken to one of the principals but want to write to each school to encourage them and offer something I think I can do personally to help encourage their kids to stay in school.

The study cited seemed so bogus to be able to conclude these were drop out factories... I'd like to contact them and help.

PRA_GSP01_0007392

Unknown

From:	gov.sarah@yahoo.com
Sent:	Saturday, November 03, 2007 7:26 AM
To:	kccole@mtaonline.net; Irwin; Tom E (DNR)
Cc:	Kristan Cole; Perry; Kristina Y (GOV); Frank Bailey; Todd
Subject:	Re: Dan Fagan Show

I love you guys!!!!

You're doing an amazing job. Todd, Kris and Frank were keeping me up to speed as to how the show progressed. Thanks for kicking butt and being bold and just laying it on the line for the public to understand we didn't cause MatMaid problems, we're here to solve them so it can land in the private sector's hands.

Great job. Thank you.

------Original Message------

From: Kristan Cole

To: Tom Irwin

To: Governor Sarah Palin

Cc: Kristan Cole

ReplyTo: kccole@mtaonline.net

Sent: Nov 3, 2007 5:35 AM

Subject: RE: Dan Fagan Show

Governor, Tom is way too modest, the truth is that he made us ALL look good yesterday. We will continue working hard to solve these very difficult issues. Kristan

-----Original Message-----

From: Irwin, Tom E (DNR) [mailto:tom.irwin@alaska.gov]

Sent: Friday, November 02, 2007 8:30 PM

To: Palin Sarah'

Cc: Cole Kristan

Subject: Dan Fagan Show

Governor, I wanted you to know how much I appreciate the work Kristan is doing for this state. She did great on Dan's show and it was a privilege to

PRA_GSP01_0007393

be with her. God bless Tom

Sent from my BlackBerry® device from Cellular One

PRA_GSP01_0007394

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]
Sent: Saturday, November 03, 2007 6:42 PM
To: 'gov.sarah@yahoo.com'
Subject: Jason kohler

The ktuu camera guy...his dad is jim kohler the director of the almr project. You and I were discussing jason last wk and trying to figure out what state job his dad hasj

PRA_GSP01_0007395

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]
Sent: Saturday, November 03, 2007 6:40 PM
To: 'gov.sarah@yahoo.com'
Subject: Re: I just waved

I was walking in the rain w quinn towards the capitol :)

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 18:39:48 2007

Subject: Re: I just waved

Quit texting and driving at the same tome...like I always do!

------Original Message------

From: Ivy Frye

To: Governor Sarah Palin

Sent: Nov 3, 2007 6:37 PM

Subject: I just waved

To you...i

Sent from my BlackBerry® device from Cellular One

PRA_GSP01_0007396

Unknown

From: Palin, Sarah (GOV sponsored) [govpalin@alaska.gov]
Sent: Saturday, November 03, 2007 6:36 PM
To: Yocom; Lauren J (GOV); Leighow; Sharon W (GOV); Leschper; Beth (GOV)
Cc: Tibbles; Michael A (GOV); Kelly; Russell T (GOV); Galvin; Patrick S (DOR)
Subject: Re: Press Release: Governor Palin Pleased with Senate Committee's Work

Thanks, all!

----- Original Message -----

From: Yocom, Lauren J (GOV) <lauren.yocom@alaska.gov>

To: Leighow, Sharon W (GOV); Leschper, Beth (GOV)

Cc: Yocom, Lauren J (GOV)

Sent: Sat Nov 03 18:35:05 2007

Subject: Press Release: Governor Palin Pleased with Senate Committee's Work

IMMEDIATE RELEASE
No. 07-217

Governor Palin Pleased with Senate Committee's Work

November 3, 2007, Juneau, Alaska – Governor Sarah Palin today expressed her appreciation for the work of Senate Judiciary in moving ACES from committee.

PRA_GSP01_0007397

"I am pleased to see the Senate Judiciary Committee work together in a cooperative manner to produce a solution that is reasonable and consistent with the principals we incorporated into ACES," Governor Palin said. "I hope all Alaskans will join me in applauding the efforts of these legislators. I am particularly happy that the Senate Committee included the 25 percent tax rate to ensure Alaska gets an equitable share of our resources. I am also pleased they added language to reflect their commitment to save our surplus for the future."

The ACES bill is now headed to the Senate Finance Committee.

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PRA_GSP01_0007398

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]
Sent: Saturday, November 03, 2007 5:48 PM
To: 'gov.sarah@yahoo.com'
Subject: Re: Quinn

Awesome! I'm confident your good work w leg. will progress a good bill. You probably need something stronger than coffee after your day :)

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 17:44:20 2007

Subject: Re: Quinn

Thanks!

And I didn't get to get coffee today bc I've been visiting w leggies throughout the day. We're progressing well with some Senators, still trying to figure out what some Reps are thinking...

Sent from my BlackBerry® device from Cellular One

-----Original Message-----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

Date: Sat, 03 Nov 2007 17:40:58

To:gov.sarah@yahoo.com

Subject: Re: Quinn

Squinn@ap.org

Privileged or Personal Ma

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

PRA_GSP01_0007399

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 17:33:24 2007

Subject: Quinn

Do have Steve's email addy?

Sent from my BlackBerry® device from Cellular One

PRA_GSP01_0007400

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]
Sent: Saturday, November 03, 2007 1:24 PM
To: 'gov.sarah@yahoo.com'
Subject: Re: Bitney

It's the one comment that is stuck in Lyda's mind too. She mentioned it when I was in her office. I'll find out where people are hearing it-but again I'm w russ-everything comes back to bitney.

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

To: Perry, Kristina Y (GOV); Leighow, Sharon W (GOV); Tibbles, Michael A (GOV)

Sent: Sat Nov 03 12:21:33 2007

Subject: Bitney

Russ says in walking the halls the universal msg he receives re: why legislators have chips on their shoulders, mad at us (even republicans who like us) is based on one msg they heard me say through the budget process when I made my cuts: "We need an adult in the house.".

Ironically, when Russ asks, he's told it's Bitney perpetuating that msg, rubbing it in and reminding legislators I said it. The irony is it was Bitney who gave me that line, and it was in either an email or a budget roll-out speech that he wrote that in.

If anyone recalls that or has that, pls let me know, as it would help turn down Bitney's volume on that "gotcha" issue he's capitalizing on and screwing working relationships over.

Sent from my BlackBerry® device from Cellular One

PRA_GSP01_0007401

Unknown

From: gov.sarah@yahoo.com
Sent: Saturday, November 03, 2007 1:16 PM
To: Mason; Janice L (GOV)
Cc: Perry; Kristina Y (GOV)
Subject: Army mtg

J- An army recruiter will be in Juneau on Tuesday and wants to meet with me re: western region recruitung efforts. I told one of the captains that I'd love to if I'm here at the same time they're here... but I am scheduled to leave sometime Tuesday.

Sgt. Nagel is one who contacted me: Privileged is his cell - I told him a scheduler would call to coordinate this mtg if it's possible. When you get a chance could you touch base with him to see if it would work? Maybe I'd see him at the airport even if our flts cross.

Thanks!

Sent from my BlackBerry® device from Cellular One

Unknown

From: Palin, Sarah (GOV sponsored) [govpalin@alaska.gov]
Sent: Saturday, November 03, 2007 12:49 PM
To: Thompson; Barbara A (EED); Smith; Lynne M (GOV)
Cc: Tibbles; Michael A (GOV); Perry; Kristina Y (GOV)
Subject: Re: Drop outs

Thanks Lynne! A letter from our office will be great...

----- Original Message -----

From: Thompson, Barbara A (EED)

To: Palin, Sarah (GOV sponsored); Smith, Lynne M (GOV)

Cc: Tibbles, Michael A (GOV); Perry, Kristina Y (GOV)

Sent: Sat Nov 03 09:15:22 2007

Subject: Re: Drop outs

Eric Fry has the names of the schools. We have written a letter to the editor response to circulate to newspapers. The study was very flawed. Eric Fry and I called Mat Su and Fairbanks superintendents personally to talk about how flawed and unfair the report was. additionally, EED was misquoted. This article was unfair to districts that are struggling to fix the dropout problem. Bat

----- Original Message -----

From: Palin, Sarah (GOV sponsored)

To: Thompson, Barbara A (EED); Smith, Lynne M (GOV)

Cc: Tibbles, Michael A (GOV); Perry, Kristina Y (GOV)

Sent: Sat Nov 03 07:55:55 2007

Subject: Drop outs

Lynne: pls get me the names of schools John Hopkins released (cruelly) re: "drop out factories"... what a slam. I've already spoken to one of the principals but want to write to each school to encourage them and offer something I think I can do personally to help encourage their kids to stay in school.

The study cited seemed so bogus to be able to conclude these were drop out factories... I'd like to contact them and help.

PRA_GSP01_0007403

Unknown

From: gov.sarah@yahoo.com
Sent: Saturday, November 03, 2007 12:22 PM
To: Perry; Kristina Y (GOV); Leighow; Sharon W (GOV); Tibbles; Michael A (GOV)
Subject: Bitney

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If anyone recalls that or has that, pls let me know, as it would help turn down Bitney's volume on that "gotcha" issue he's capitalizing on and screwing working relationships over.

Sent from my BlackBerry® device from Cellular One

PRA_GSP01_0007404

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]
Sent: Saturday, November 03, 2007 10:32 AM
To: 'gov.sarah@yahoo.com'
Subject: Coffee?

Went on a run AND now getting coffee if u want me to drop some off.

.04 prog added back in sen jud-that's good news. Now what about the gross floor?!?

Heard carl wants to go w your original bill instead of a cs--awesome.

Unknown

From: Palin, Sarah (GOV sponsored) [govpalin@alaska.gov]
Sent: Saturday, November 03, 2007 9:17 AM
To: Thompson; Barbara A (EED); Smith; Lynne M (GOV)
Cc: Tibbles; Michael A (GOV); Perry; Kristina Y (GOV)
Subject: Re: Drop outs

Thanks Barb.

Lynne: would you get those names from Eric, or send his email addy and I'll ask him.
Thanks

----- Original Message -----

From: Thompson, Barbara A (EED)

To: Palin, Sarah (GOV sponsored); Smith, Lynne M (GOV)

Cc: Tibbles, Michael A (GOV); Perry, Kristina Y (GOV)

Sent: Sat Nov 03 09:15:22 2007

Subject: Re: Drop outs

Eric Fry has the names of the schools. We have written a letter to the editor response to circulate to newspapers. The study was very flawed. Eric Fry and I called Mat Su and Fairbanks superintendents personally to talk about how flawed and unfair the report was. additionally, EED was misquoted. This article was unfair to districts that are struggling to fix the dropout problem. Bat

----- Original Message -----

From: Palin, Sarah (GOV sponsored)

To: Thompson, Barbara A (EED); Smith, Lynne M (GOV)

Cc: Tibbles, Michael A (GOV); Perry, Kristina Y (GOV)

Sent: Sat Nov 03 07:55:55 2007

Subject: Drop outs

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The study cited seemed so bogus to be able to conclude these were drop out factories...
I'd like to contact them and help.

PRA_GSP01_0007406

Unknown

From: gov.sarah@yahoo.com
Sent: Saturday, November 03, 2007 6:47 PM
To: Frye; Ivy J (DOA)
Subject: Re: I just waved

Oh baby!!!

Tell him I sent out an atta' boy statement for senate committee

Sent from my BlackBerry® device from Cellular One

-----Original Message-----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

Date: Sat, 03 Nov 2007 18:39:35

To:gov.sarah@yahoo.com

Subject: Re: I just waved

I was walking in the rain w quinn towards the capitol :)

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 18:39:48 2007

Subject: Re: I just waved

Quit texting and driving at the same tome...like I always do!

------Original Message------

From: Ivy Frye

To: Governor Sarah Palin

Sent: Nov 3, 2007 6:37 PM

Subject: I just waved

To you...i

Sent from my BlackBerry® device from Cellular One

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]
Sent: Saturday, November 03, 2007 9:45 PM
To: 'gov.sarah@yahoo.com'
Subject: Re: My apologies

Thanks for your nice words. I'd do anything for ya.

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 19:12:25 2007

Subject: Re: My apologies

Dear Lord- I hate that he (them?) Does this to you. he and Bit both were so secretive, still are evidently. Pls don't let any of the strange comments get to ya. All will be well...

Truly, it will be well.

Sent from my BlackBerry® device from Cellular One

-----Original Message-----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

Date: Sat, 03 Nov 2007 18:23:14

To:gov.sarah@yahoo.com

Subject: FW: My apologies

FYI...

It goes on and on with Chris Clark. I will get to the bottom of where he's getting his info! If small things like Mindy's hire is getting out, what else is Chris finding out and WHO'S telling him?

PRA_GSP01_0007409

From: Frye, Ivy J (DOA)

Sent: Sat 11/3/2007 5:50 PM

To: 'cgcalaska@yahoo.com'

Subject: Re: My apologies

Man, Chris. You just wrote on and on about how you want to help the governor succeed, yet you don't want to tell me who's sharing confidential info from the 3rd floor.

----- Original Message -----

From: Christopher Clark <cgcalaska@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 17:27:34 2007

Subject: Re: My apologies

Can't tell you.

I must protect my sources.

That's the rules of the game. A reporter is only as good as his sources.

----- Original Message ----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

To: cgcalaska@yahoo.com

Sent: Saturday, November 3, 2007 5:20:05 PM

Subject: Re: My apologies

Chris, you ALWAYS know the beat in the capitol. Who said it?

----- Original Message -----

PRA_GSP01_0007410

From: Christopher Clark <cgcalaska@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 17:16:48 2007

Subject: Re: My apologies

That, I don't know.

When I con prised that I knew.

----- Original Message ----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

To: Christopher Clark <cgcalaska@yahoo.com>

Sent: Saturday, November 3, 2007 5:10:34 PM

Subject: RE: My apologies

Perhaps I should be more specific. How would anyone know the hiring decision of the third floor? Who would give out that information?

From: Christopher Clark [mailto:cgcalaska@yahoo.com <mailto:cgcalaska@yahoo.com>]

Sent: Sat 11/3/2007 5:06 PM

To: Frye, Ivy J (DOA)

Subject: Re: My apologies

A friend who works in House Finance.

----- Original Message ----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

To: Christopher Clark <cgcalaska@yahoo.com>

Sent: Saturday, November 3, 2007 5:03:38 PM

Subject: RE: My apologies

Well, who told you that Mindy was hired?

---

mailto:cgcalaska@yahoo.com]

Sent: Wed 10/31/2007 5:36 PM

To: Frye, Ivy J (DOA)

Subject: Re: My apologies

Amen to that -- all of that.

----- Original Message ----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

To: Christopher Clark <cgcalaska@yahoo.com>

Sent: Wednesday, October 31, 2007 3:19:15 PM

Subject: RE: My apologies

There are too many rumors out there that aren't conducive to what Governor Palin and her Administration are trying to accomplish.

There are too many comments about what is going wrong or right; who's working for her and who's not; who's a good employee and who's not; and it goes on and on. I'm absolutely sick of it. I've said this a million times, but what do any of these comments have to do with good public policy? I'm sure neither of us (me or you) know who is goin as you've had a conversation with Mike or the governor, I wouldn't believe it AND if they did talk to you, I sure as heck wouldn't be repeating it. If you do have access to this type of

information or any other 3rd floor information, I'd be confronting the person or letting Mike know—I promise you that.

From: Christopher Clark [mailto:cgcalaska@yahoo.com <mailto:cgcalaska@yahoo.com>]

Sent: Wednesday, October 31, 2007 10:09 AM

To: Frye, Ivy J (DOA)

Subject: Re: My apologies

One more thing ...

After I had the brainstorm in which I thought you could do the job as deputy legislative director, I ran it by John -- thinking he would tell me if I were nuts or not.

He thought you would be better off at Administration, but he didn't seem to think my idea was far-fetched. We both could be assured, at the least, that there would be someone in that office who rociously loyal to the governor.

----- Original Message ----

From: Christopher Clark <cgcalaska@yahoo.com>

To: " Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

Sent: Wednesday, October 31, 2007 10:01:50 AM

Subject: Re: My apologies

Nobody told me that you were interested in being deputy legislative director.

It was only an idea I had one night, at home. At the time, it seemed like a Eureka ! moment. It may have been fueled, in part, by the warm cup of sake that I was drinking, I confess.

Given your familiarity with the legislature, I thought and think you could do it. You know the players, the quirks, the personalities. You know how legislation moves through committee. You know the lay of the land. You understand the process and how difficult it can be.

I want the governor to succeed. So I was brainstorming on who could take the job to help meet that goal. Your face popped into my mind.

On a different note ...

I'm now ciary discuss the pluses and minuses of the gross tax versus the net tax. It's going well. Pat's doing a good job. Of all the committees that are hearing the governor's bill, this one is and will be the kindest and most supportive of her.

Be that as it may, the real fight -- or, at least, the biggest and most important battles -- will occur on the House and Senate floors.

I'm of the opinion -- and several reporters agree with me -- that the governor is in a win-win position. A nice place to be. More on that, later.

----- Original Message ----

From: " Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

To: Christopher Clark <cgcalaska@yahoo.com>

Sent: Wednesday, October 31, 2007 9:28:43 AM

Subject: RE: My apologies

Again, I still haven't heard that Mindy or anyone else was hired. It hasn't been confirmed, that I know. You never encouraged me to apply for the deputy director position. I never have come up to you onc on the phone and said, 'I want to be the deputy legislative director." Understandably, I'm very curious who would tell you something like that. That's the only information that's relevant to this entire conversation.

Please don't offer me knowledge or confidence if it's based on rumor—it doesn't help anybody.

Thanks,

PRA_GSP01_0007414

Ivy

From: Christopher Clark [mailto:cgcalaska@yahoo.com <mailto:cgcalaska@yahoo.com>]

Sent: Tuesday, October 30, 2007 1:12 PM

To: Frye, Ivy J (DOA)

Subject: My apologies

My apologies.

I never meant to offend or hurt you. On the contrary, I intended to offer you encouragement and support. I clearly missed the mark. And for that, I am sorry.

I just want to see you flourish and succeed. Hence, my clumsy attempts in offering you encouragement and the latest rumbl idence and knowledge -- that's all I was trying to offer.

To be clear, I want our governor to do well and continue to shine. She's a welcomed balm to this malignant, diseased political system. I want Alaskans' current love affair with her to last the arc and span of her political career. It's good for people to have faith in their leaders and their government. Refreshing, too.

Let me tell you what I tell others unabashedly, including my friends in the press corps: in spite of what happened to me, in spite of my losing a job in the governor's office, I want the governor to succeed. I want her to remain popular and strong. I want her to stay popular and strong so she may negotiate from a position of strength when dealing with the oil industry. You and I both know all too well what it's like for the state to have a weakened, unpopular, and lame-duck governor. I don't want to see that happen again. Especially to her. I adored her while I worked for her. And I still do. As J she's a breath of fresh air.

Let me remind you that I voted for Sarah Palin in last year's primary and general elections for two reasons: her strong stand on the gas pipeline and her embodiment of an ethical public life. Sarah Palin doesn't just talk about ethics. She lives it. She embodies it. She has made sacrifices to uphold it. That's why I like her.

Just so you know, I did not forward your e-mail to John or anybody. And I am not sending this one to anyone via blind copy or any other means.

I am disheartened that you have lost your faith and trust in me, if, indeed, you ever had it. This is a personal loss for me.

Perhaps this is the price I must pay when trying to balance my friendship with John with my desire to see the governor succeed.

For what it's worth, I plan to tease him today ... mercilessly ... over John Harris's live shot yesterday during KTUU's 5:00 newscast. Did you see it? Oh, my God. Let me put it this way: John Harris is NO Sar vel at how she handles herself -- so easily and adroitly -- in front of the cameras. She makes it look easy and effortless -- a true sign of a master, as we learn in aikido. It seems she requires so little preparation and then, bam! Nails the press conference. Nails the interview. I don't why, but it leaves me in stitches every time. I've worked for seven legislators. Not one holds a candle to the governor in this regard. She's remarkable. Or, as Bill McAllister once told me, amazing.

As for my previous e-mails to you ...

I just had a brainstorm one evening that you would be good in the legislative office. And I just wanted you to know that. I still do, by the way, for what that's worth.

When I learned that Mindy got the job, I felt like an idiot having tried to encourage you to pursue a position that had already been filled. I wrongly assumed -- largely because I believed you are far better connected than I -- that you already knew about that hire. My apologies, .

I do wish you well and I want you to continue to shine.

Chris

----- Original Message ----

From: " Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

To: Christopher Clark <cgcalaska@yahoo.com>

Sent: Monday, October 29, 2007 2:32:15 PM

Subject: RE: You could have done it

I hadn't heard they appointed a deputy director. I'm sure it's not pubic information yet. And how would you know if I was interested anyway?

I don't appreciate you stating the first line as if I had been inquiring with you or anyone else about who the new deputy would be, and I don't appreciate that you infer that you and I have been discussing my interest in the deputy director position. Your email was cleverly written and although I can't prove it I will assume you blind copied others.

Your comments about Tibbles can only come from John Bitney—feel free to share that with him too. And, if Mike was your friend and you believed in the Administration you wouldn't be passing on rumors you hear. I don't want to hear the rumors because I don't believe them.

I've also asked you politely before not to send me emails regarding the governor. I would appreciate if you would honor my request.

I'm not, as you say, trying to get "closer to the governor." I don't need to try. She knows I'd do anything for her.

From: Christopher Clark [mailto:cgcalaska@yahoo.com <mailto:cgcalaska@yahoo.com>]

Sent: Monday, October 29, 2007 1:36 PM

To: Frye, Ivy J (DOA)

Subject: You could have done it

PRA_GSP01_0007417

Yes, I heard about the new deputy legislative director.

Good for Mindy. And condolences to her as well.

This is interesting because it proves that Tibbles still has some sway up there. That he's not qu y perceive him to be.

It's also interesting because the decision was made during the special session instead of afterwards as expected.

There are several good things about Mindy: she knows the legislature, understands the personalities, she HAS a good personality, she knows Tibbles well, and she knows the importance of fiscal notes. She's competent, experienced, dedicated, and used to putting in long hours. And she wasn't happy with recent developments in Senate Finance.

For what it's worth ...

I think you could have done the job. It would not have been easy. It would have strained the outer limits of diplomacy. But it would have gotten you closer to the governor.

I'm disappointed that you weren't given the chance -- if that was even an option. On the other hand, I would have been mortified if I had encouraged you to take the job, you got it, and it turned out to be a disaster for you -- thus setting you way back rather than moving you way forward. eved that you're still where you're at.

You are well off there. Annette and Kevin have much to teach.

My recommendation: get a regular session under your belt there. Just like Frank did. And learn, learn, learn. Have you become more familiar with Excel yet? Here's your chance.

Hang in there, mon amie.

Fondly,

Chris

PRA_GSP01_0007418

Unknown

From: gov.sarah@yahoo.com
Sent: Saturday, November 03, 2007 7:10 PM
To: Frye; Ivy J (DOA)
Subject: Re: Jason kohler

Got it

Sent from my BlackBerry® device from Cellular One

-----Original Message-----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

Date: Sat, 03 Nov 2007 18:47:10

To:gov.sarah@yahoo.com

Subject: Re: Jason kohler

Admin but they work jointly w dmva

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 18:47:22 2007

Subject: Re: Jason kohler

What dept is almr in?

------Original Message------

From: Ivy Frye

To: Governor Sarah Palin

Sent: Nov 3, 2007 6:41 PM

Subject: Jason kohler

The ktuu camera guy...his dad is jim kohler the director of the almr project. You and I were discussing jason last wk and trying to figure out what state job his dad hasj

PRA_GSP01_0007419

Sent from my BlackBerry® device from Cellular One

Unknown

From: gov.sarah@yahoo.com
Sent: Saturday, November 03, 2007 7:10 PM
To: Frye; Ivy J (DOA)
Subject: Re: Press Release: Governor Palin Pleased with Senate Committee's Work

Amen!

Sent from my BlackBerry® device from Cellular One

-----Original Message-----

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>

Date: Sat, 03 Nov 2007 18:51:37

To:gov.sarah@yahoo.com

Subject: Re: Press Release: Governor Palin Pleased with Senate Committee's Work

That is awesome!

Quinn just said lyda said in the hallway today "don't get used to it," meaning the good changes that were made to sb20001 today. Perhaps quinn should bring to light that members of the senate want to bring a good product forward w the exception of their sen pres!!!

----- Original Message -----

From: gov.sarah@yahoo.com <gov.sarah@yahoo.com>

To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 18:47:39 2007

Subject: Fw: Press Release: Governor Palin Pleased with Senate Committee's Work

IMMEDIATE
RELEASE
No. 07-217

Governor Palin Pleased with Senate Committee's Work

November 3, 2007, Juneau, Alaska - Governor Sarah Palin today expressed her appreciation for the work of Senate Judiciary in moving ACES from committee.

"I am pleased to see the Senate Judiciary Committee work together in a cooperative manner to produce a solution that is reasonable and consistent with the principals we incorporated into ACES," Governor Palin said. "I hope all Alaskans will join me in applauding the efforts of these legislators. I am particularly happy that the Senate Committee included the 25 percent tax rate to ensure Alaska gets an equitable share of our resources. I am also pleased they added language to reflect their commitment to save our surplus for the future."

The ACES bill is now headed to the Senate Finance Committee.

###

PRA_GSP01_0007422

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]
Sent: Saturday, November 03, 2007 6:52 PM
To: 'gov.sarah@yahoo.com'
Subject: Re: Press Release: Governor Palin Pleased with Senate Committee's Work

That is awesome!

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----- Original Message -----

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To: Frye, Ivy J (DOA)

Sent: Sat Nov 03 18:47:39 2007

Subject: Fw: Press Release: Governor Palin Pleased with Senate Committee's Work

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No. 07-217

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PRA_GSP01_0007423

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The ACES bill is now headed to the Senate Finance Committee.

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PRA_GSP01_0007424

Unknown

From: Frye, Ivy J (DOA) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=IJFRYE]

Sent: Saturday, November 03, 2007 6:23 PM

To: gov.sarah@yahoo.com

Subject: FW: My apologies

FYI...

It goes on and on with Chris Clark. I will get to the bottom of where he's getting his info! If small things like Mindy's hire is getting out, what else is Chris finding out and WHO'S telling him?

From: Frye, Ivy J (DOA)
Sent: Sat 11/3/2007 5:50 PM
To: 'cgcalaska@yahoo.com'
Subject: Re: My apologies

Man, Chris. You just wrote on and on about how you want to help the governor succeed, yet you don't want to tell me who's sharing confidential info from the 3rd floor.

----- Original Message -----
From: Christopher Clark <cgcalaska@yahoo.com>
To: Frye, Ivy J (DOA)
Sent: Sat Nov 03 17:27:34 2007
Subject: Re: My apologies

Can't tell you.

I must protect my sources.

That's the rules of the game. A reporter is only as good as his sources.

----- Original Message -----
From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>
To: cgcalaska@yahoo.com
Sent: Saturday, November 3, 2007 5:20:05 PM
Subject: Re: My apologies

Chris, you ALWAYS know the beat in the capitol. Who said it?

----- Original Message -----
From: Christopher Clark <cgcalaska@yahoo.com>
To: Frye, Ivy J (DOA)
Sent: Sat Nov 03 17:16:48 2007
Subject: Re: My apologies

That, I don't know.

When I contacted Mindy, she was surprised that I knew.

----- Original Message -----

PRA_GSP01_0007425

From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>
To: Christopher Clark <cgcalaska@yahoo.com>
Sent: Saturday, November 3, 2007 5:10:34 PM
Subject: RE: My apologies

Perhaps I should be more specific. How would anyone know the hiring decision of the third floor? Who would give out that information?

From: Christopher Clark [mailto:cgcalaska@yahoo.com]
Sent: Sat 11/3/2007 5:06 PM
To: Frye, Ivy J (DOA)
Subject: Re: My apologies

A friend who works in House Finance.

----- Original Message -----
From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>
To: Christopher Clark <cgcalaska@yahoo.com>
Sent: Saturday, November 3, 2007 5:03:38 PM
Subject: RE: My apologies

Well, who told you that Mindy was hired?

From: Christopher Clark [mailto:cgcalaska@yahoo.com]
Sent: Wed 10/31/2007 5:36 PM
To: Frye, Ivy J (DOA)
Subject: Re: My apologies

Amen to that -- all of that.

----- Original Message -----
From: "Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>
To: Christopher Clark <cgcalaska@yahoo.com>
Sent: Wednesday, October 31, 2007 3:19:15 PM
Subject: RE: My apologies

There are too many rumors out there that aren't conducive to what Governor Palin and her Administration are trying to accomplish.

There are too many comments about what is going wrong or right; who's working for her and who's not; who's a good employee and who's not; and it goes on and on. I'm absolutely sick of it. I've said this a million times, but what do any of these comments have to do with good public policy? I'm sure neither of us (me or you) know who is going to be hired. Unless you've had a conversation with Mike or the governor, I wouldn't believe it AND if they did talk to you, I sure as heck wouldn't be repeating it. If you do have access to this type of information or any other 3rd floor information, I'd be confronting the person or letting Mike know—I promise you that.

From: Christopher Clark [mailto:cgcalaska@yahoo.com]
Sent: Wednesday, October 31, 2007 10:09 AM
To: Frye, Ivy J (DOA)
Subject: Re: My apologies

One more thing ...

After I had the brainstorm in which I thought you could do the job as deputy legislative director, I ran it by John -- thinking he would tell me if I were nuts or not.

He thought you would be better off at Administration, but he didn't seem to think my idea was far-fetched. We both could be assured, at the least, that there would be someone in that office who would work hard and be ferociously loyal to the governor.

----- Original Message ----
From: Christopher Clark <cgcalaska@yahoo.com>
To: " Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>
Sent: Wednesday, October 31, 2007 10:01:50 AM
Subject: Re: My apologies

Nobody told me that you were interested in being deputy legislative director.

It was only an idea I had one night, at home. At the time, it seemed like a Eureka ! moment. It may have been fueled, in part, by the warm cup of sake that I was drinking, I confess.

Given your familiarity with the legislature, I thought and think you could do it. You know the players, the quirks, the personalities. You know how legislation moves through committee. You know the lay of the land. You understand the process and how difficult it can be.

I want the governor to succeed. So I was brainstorming on who could take the job to help meet that goal. Your face popped into my mind.

On a different note ...

I'm now listening to Senate Judiciary discuss the phuses and minuses of the gross tax versus the net tax. It's going well. Pat's doing a good job. Of all the committees that are hearing the governor's bill, this one is and will be the kindest and most supportive of her.

Be that as it may, the real fight -- or, at least, the biggest and most important battles -- will occur on the House and Senate floors.

I'm of the opinion -- and several reporters agree with me -- that the governor is in a win-win position. A nice place to be. More on that, later.

----- Original Message ----
From: " Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>
To: Christopher Clark <cgcalaska@yahoo.com>
Sent: Wednesday, October 31, 2007 9:28:43 AM
Subject: RE: My apologies

Again, I still haven't heard that Mindy or anyone else was hired. It hasn't been confirmed, that I know. You never encouraged me to apply for the deputy director position. I never have come up to you once in person, in writing, on the phone and said, 'I want to be the deputy legislative director." Understandably, I'm very curious who would tell you something like that. That's the only information that's relevant to this entire conversation.

Please don't offer me knowledge or confidence if it's based on rumor—it doesn't help anybody.

Thanks,

Ivy

From: Christopher Clark [mailto:cgcalaska@yahoo.com]
Sent: Tuesday, October 30, 2007 1:12 PM
To: Frye, Ivy J (DOA)
Subject: My apologies

My apologies.

I never meant to offend or hurt you. On the contrary, I intended to offer you encouragement and support. I clearly missed the mark. And for that, I am sorry.

I just want to see you flourish and succeed. Hence, my clumsy attempts in offering you encouragement and the latest rumblings in the capitol. Confidence and knowledge -- that's all I was trying to offer.

To be clear, I want our governor to do well and continue to shine. She's a welcomed balm to this malignant, diseased political system. I want Alaskans' current love affair with her to last the arc and span of her political career. It's good for people to have faith in their leaders and their government. Refreshing, too.

Let me tell you what I tell others unabashedly, including my friends in the press corps: in spite of what happened to me, in spite of my losing a job in the governor's office, I want the governor to succeed. I want her to remain popular and strong. I want her to stay popular and strong so she may negotiate from a position of strength when dealing with the oil industry. You and I both know all too well what it's like for the state to have a weakened, unpopular, and lame-duck governor. I don't want to see that happen again. Especially to her. I adored her while I worked for her. And I still do. As John Tracy said last year, she's a breath of fresh air.

Let me remind you that I voted for Sarah Palin in last year's primary and general elections for two reasons: her strong stand on the gas pipeline and her embodiment of an ethical public life. Sarah Palin doesn't just talk about ethics. She lives it. She embodies it. She has made sacrifices to uphold it. That's why I like her.

Just so you know, I did not forward your e-mail to John or anybody. And I am not sending this one to anyone via blind copy or any other means.

I am disheartened that you have lost your faith and trust in me, if, indeed, you ever had it. This is a personal loss for me.

Perhaps this is the price I must pay when trying to balance my friendship with John with my desire to see the governor succeed.

For what it's worth, I plan to tease him today ... mercilessly ... over John Harris's live shot yesterday during KTUU's 5:00 newscast. Did you see it? Oh, my God. Let me put it this way: John Harris is NO Sarah Palin. Ha! I still marvel at how she handles herself -- so easily and adroitly -- in front of the cameras. She makes it look easy and effortless -- a true sign of a master, as we learn in aikido. It seems she requires so little preparation and then, bam! Nails the press conference. Nails the interview. I don't why, but it leaves me in stitches every time. I've worked for seven legislators. Not one holds a candle to the governor in this regard. She's remarkable. Or, as Bill McAllister once told me, amazing.

As for my previous e-mails to you ...

I just had a brainstorm one evening that you would be good in the legislative office. And I just wanted you to know that. I still do, by the way, for what that's worth.

When I learned that Mindy got the job, I felt like an idiot having tried to encourage you to pursue a position that had already been filled. I wrongly assumed -- largely because I believed you are far better connected than I -- that you already knew about that hire. My apologies, again, for being a moron.

I do wish you well and I want you to continue to shine.

Chris

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From: " Frye, Ivy J (DOA)" <ivy.frye@alaska.gov>
To: Christopher Clark <cgcalaska@yahoo.com>
Sent: Monday, October 29, 2007 2:32:15 PM
Subject: RE: You could have done it

I hadn't heard they appointed a deputy director. I'm sure it's not pubic information yet. And how would you know if I was interested anyway?

I don't appreciate you stating the first line as if I had been inquiring with you or anyone else about who the new deputy would be, and I don't appreciate that you infer that you and I have been discussing my interest in the deputy director position. Your email was cleverly written and although I can't prove it I will assume you blind copied others.

Your comments about Tibbles can only come from John Bitney—feel free to share that with him too. And, if Mike was your friend and you believed in the Administration you wouldn't be passing on rumors you hear. I don't want to hear the rumors because I don't believe them.

I've also asked you politely before not to send me emails regarding the governor. I would appreciate if you would honor my request.

I'm not, as you say, trying to get "closer to the governor." I don't need to try. She knows I'd do anything for her.

From: Christopher Clark [mailto:cgcalaska@yahoo.com]
Sent: Monday, October 29, 2007 1:36 PM
To: Frye, Ivy J (DOA)
Subject: You could have done it

Yes, I heard about the new deputy legislative director.

Good for Mindy. And condolences to her as well.

This is interesting because it proves that Tibbles still has some sway up there. That he's not quite the lame duck some may perceive him to be.

PRA_GSP01_0007429

It's also interesting because the decision was made during the special session instead of afterwards as expected.

There are several good things about Mindy: she knows the legislature, understands the personalities, she HAS a good personality, she knows Tibbles well, and she knows the importance of fiscal notes. She's competent, experienced, dedicated, and used to putting in long hours. And she wasn't happy with recent developments in Senate Finance.

For what it's worth ...

I think you could have done the job. It would not have been easy. It would have strained the outer limits of diplomacy. But it would have gotten you closer to the governor.

I'm disappointed that you weren't given the chance -- if that was even an option. On the other hand, I would have been mortified if I had encouraged you to take the job, you got it, and it turned out to be a disaster for you -- thus setting you way back rather than moving you way forward. In that regard, I am relieved that you're still where you're at.

You are well off there. Annette and Kevin have much to teach.

My recommendation: get a regular session under your belt there. Just like Frank did. And learn, learn, learn. Have you become more familiar with Excel yet? Here's your chance.

Hang in there, mon amie.

Fondly,

Chris

PRA_GSP01_0007430

Unknown

From: PARNELL, S (GOV sponsored) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=SRPARNELL1]

Sent: Saturday, November 03, 2007 11:26 AM

To: Sarah Palin

Subject: AML Fairbanks

Please let me know if there is anything you want me to communicate at AML next week in Fairbanks, given that is another familiar crowd to you. Sean

PRA_GSP01_0007431

Byers, Gail Y (LAW)

From: Jon Bolling [jbolling@aptalaska.net]
Sent: Saturday, November 03, 2007 5:31 PM
To: Jollie; Tara L (CED)
Cc: Palin; Sarah H (GOV); Kookesh; Albert (LAA); Thomas; Bill (LAA); Smith; Lynne M (GOV); Commission; Boundary (CED sponsored); Notti; Emil R (CED); Vandor; Marjorie L (LAW); Bockmon; Julia B (LAW)
Subject: Attached Letter

Dear Ms. Jollie,

Please see attached letter regarding KGB Annexation Petition.

Jon Bolling

Craig City Administrator

PRA_GSP01_0007432

November 3, 2007

Via Fax, e-mail, US Mail

Ms. Tara Jollie
State of Alaska
Department of Commerce, Community & Economic Development
550 W. 7th Ave, Sute 1770
Anchorage, AK 99501-3510

Dear Director Jollie:

Thank you for your letter dated October 31, 2007. While we appreciate your prompt reply we are disappointed by the tone of your letter and your unwillingness to take all steps necessary to insure that the Local Boundary Commission process is fair to all and comports with the constitutional principles of due process. We are most concerned that your letter raises more questions than answers. The purpose of this letter is to reply to the points raised in your letter, in the order in which they appear.

As a starting point, your letter inaccurately states that we submitted a "conflict of interest claim" against Mr. Bockhorst. You are mistaken. Our letter provided a factual background demonstrating "an apparent conflict of interest." We requested a "full investigation" into the "appearance of a direct and serious conflict of interest." Our language was purposeful in avoiding a conflict of interest accusation because we do not know if such a conflict exists; instead we pointed out that one is apparent and merits both recognition by the State of Alaska and an appropriate response. Your response does not acknowledge the appearance, nor provide an appropriate response. Further, we did not accuse Mr. Bockhorst of unethical conduct under the State Ethics Act. The "appearance of improprietary" is a fundamental notion in a democratic society. The citizens of this democracy have a fundamental right to decisions by its courts and quasi-judicial agencies, such as the LBC, that are free from the appearance of impropriety.

We requested a "full, open, and thorough" investigation into "an apparent conflict of interest" in this matter. Your letter does not comprise a "full" investigation; it surely does not demonstrate an "open" investigation; and we would describe it as minimal, rather than thorough. We are saddened that this Administration has so little concern for the sixteen communities and twelve school districts who will lose $1,200,000 per year in school funding if the KGB Petition is approved that all it provides in response to our concern is your letter of October 31, 2007. If your letter means the Governor is unwilling to conduct an full, open, and thorough investigation of the circumstances surrounding the complete reversal of DCCED/DCRA's position on the KGB Petition from its position in 1998, reflected in the 117 page Preliminary Report authored by

(907) 826-3275 • Fax (907)826-3278 • www.craigak.com • PO Box 725, Craig, Alaska 99921

PRA_GSP01_0007433

Mr. Bockhorst, the now Borough Manger for KGB, the people of Prince of Wales have the resolve not to be steamrolled by DCCED and the LBC We will, if necessary, request the court to intervene and insure a fair process consistent with the constitutional principles of due process.

Because your letter attempts to place unsubstantiated information into the LBC record by copying your letter to the LBC, we will address the points in your letter and will similarly copy the LBC with our response. Further, as you were well aware, our letter to the Governor was not copied to the LBC. It is not clear whether you provided the LBC with a copy of our October 19, 2007 letter to the Governor, along with your response. Accordingly we are attaching a copy of our original letter and your response to become part of the official record.

Your letter states that: "I carefully reviewed DCRA records to compare the actions on record with the allegations made in your letter in order to provide you with at thoughtful reply." Please identify what DCRA "records" you reviewed and provide us with a copy of those records. We assume you would agree that if your investigation is supposed to be the "full, open, and thorough" investigation we requested, you will not hesitate to provide us with the records you relied upon in writing your letter.

In our letter of October 19, 2007 we summarized for the Governor, DCCED's recommendation against the KGB petition authored by Mr. Bockhorst in 1998. The recommendation against the Petition does not provide any "disclaimer" that it does not reflect Mr. Bockhorst's personal views. We have seen nothing in the record related to the 1998 Petition and the Preliminary and Final reports indicating that Mr. Bockhorst disagreed with the "DCRA policymakers." Please provide us with copies of anything in the record related to the 1998 Petition that demonstrates that Mr. Bockhorst was in favor of the 1998 Petition, but was directed to write the Preliminary Report recommending against the Petition by "DCRA policymakers."

We disagree with your statement that "Mr. Bockhorst does not make policy." When the petition to form the Skagway Borough was pending, then-Governor Murkowski held a press conference in Skagway and stated his full support for the Skagway Borough Petition, and stated the administration would help support that Petition through the LBC process. Mr. Bockhorst wrote at least three reports for two different LBC hearings recommending against the formation of the Skagway Borough. He wrote those reports and fought the formation of the Skagway Borough, using the budget and other resources of the DCCED, despite the public policy statement of the Governor. Mr. Bockhorst apparently did not follow the "policymakers," but apparently rather his own personal views, in fighting the people in Skagway. Fortunately, for the people in Skagway, and for the State as a whole, the LBC ultimately approved the formation of the Skagway Borough.

The history of staff reports to the LBC demonstrate that those reports have consistently opposed any formation of a borough that would include an "enclave." With regard to the KGB's 1998 Annexation Petition, the LBC staff's Preliminary Report similarly recommends against the KGB Petition because it would create the enclave of Hyder. The Preliminary Report on the current Petition reverses that historic DCCED opposition to the formation of enclaves. This supports our concern that there is the appearance of a conflict. It also raises the question as to who changed DCCED's policy regarding enclaves. As a matter of due process, to whom can the residents of

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our communities talk to determine who changed the policy and how that change of policy was communicated to LBC staff for the preparation of the preliminary report? How was the public provided an opportunity to comment on this dramatic change regarding the treatment of enclaves prior to the implementation of the new policy reflected in the preliminary report of June 30, 2007? We take no comfort in such an after the fact effort to re-interpret what is clearly a matter of public record in all the prior reports.

We are surprised that you cite to a footnote in the Preliminary Report to attempt to distance Mr. Bockhorst from the recommendation in the 1998 report. The idea that "prior administration's policy is noted clearly" in the Preliminary Report by a footnote at page 96 is remarkable. In 1998, the DCCED/DCRA, through a report written by Mr. Bockhorst, recommended against the approval of the KGB Petition because the Petition failed to meet the constitutional principles in Article X, Section 1 of the Alaska Constitution because Hyder was excluded. It is also a fact that the Preliminary Report of the DCCED/DCRA on the pending Petition, also authored by Mr. Bockhorst, recommends that the KGB Petition be approved because it satisfies Article X, Section 1 of the Alaska Constitution, even though Hyder is excluded. There is no way to mince words about it--that can only be called a complete reversal of the recommendation.

The Constitution is not a matter of "policy" that can be changed by administrations. If Governor Palin directed Mr. Bockhorst to change the constitutional policy reflected in the 1998 Report, then such a dramatic shift of constitutional "policy" would not be buried in a footnote on page 96. It would have been fully addressed in the Preliminary and the Final Reports. Please provide us with all documents demonstrating that Governor Palin's administration has directed DCCED/DCRA to change the policy of any prior administration as to the interpretation of Article X, Section 1 of the Alaska Constitution, and directed LBC staff to recommend approval of this Petition based on that change of constitutional interpretation.

We are also not comforted by your reliance on a footnote at page 96 of the Report; because, in the way that you rely upon it, the footnote appears to be an after the fact effort by its author to distance himself from the 1998 recommendation. Why would that be important for Mr. Bockhorst to do if he has no personal interest in the KGB Petition? Simply put, the footnote at page 96, and your reliance on it, has no place at all in this process, except because of the appearance of the conflict of interest of Mr. Bockhorst.

We have reviewed the Preliminary Report from 1998. There is no language indicating that "DCRA policy makers in the Knowles Administration" "as contrasted [sic] the LBC Staff Component" opposed the 1998 Petition. Why did Mr. Bockhorst find it necessary to insert "as contrasted [sic] the LBC Staff Component" in the footnote on page 96 of the 2007 report? According to you, the staff does not make policy, so it should not matter—now or then—whether Mr. Bockhorst agreed with the policy. As we noted above, he did not make any alleged "disagreement" known in any way in the 1998 Report. What is again important here is the fact that the two recommendations are directly contradictory, and only after the Borough Manager position in KGB became publicly known to be open, did Mr. Bockhorst write the footnote at page 96, which you are now apparently using to tell us Mr. Bockhorst was only doing the bidding of the "policymakers" in recommending against the Petition in 1998. If the 1998 Preliminary Report was the work of the DCRA "policymakers," and not Mr. Bockhorst, who are

the "policymakers" responsible for the 2007 Preliminary Report and Final Report? Why aren't those "policymakers" acknowledged in the 2007 Reports? Has the LBC been advised of the "policymakers" who allegedly directed the 2007 Reports?

Your letter states that we "insinuated" that the "pending KGB annexation proposal differences are attributable to the personal motives of Mr. Bockhorst." Please identify in our letter where we made such an "insinuation." We did not "insinuate" anything. Again, we provided you with simple facts. The decision by the LBC to deny the KGB petition in 1999 was squarely based on its interpretation of the Constitution. If Mr. Bockhorst does not "make policy," as you state, he surely does not make Constitutional law. If it were true that Mr. Bockhorst does not "make policy," he had an obligation to recommend against this Petition because the LBC is required to adhere to its own interpretation and application of the Alaska Constitution, as a quasi judicial body. What were his "personal motives," using your words, for recommending that the LBC reverse its previous interpretation of the Alaska Constitution?

Your letter characterizes the differences between the 1998 Petition and the pending Petition as "substantial." You then cite as your reasons for that statement:

1) the inclusion of Myers Chuck; and
2) the extensively different boundaries for the proposed Hyder enclave.

1. <u>The inclusion of Myers Chuck</u>

We are confident that the LBC in 1999 would have denied the KGB Petition if it had included Myers Chuck, but not Hyder. There is no other way to logically read that 1999 decision and the LBC's interpretation of the applicable constitutional provisions. Similarly, there is no way to read the Preliminary Report in 1998 such that it would have recommended the approval of the Petition if Myers Chuck had been included. What part of the Constitution has changed since 1998 that allows DCCED to now recommend that the LBC approve this petition, using Myers Chuck as the justification, with an area of 3.5 square miles, 14 residents, and essentially no State-provided facilities or services?

2. <u>Extensively different boundaries for the proposed enclave of Hyder.</u>

The technical and minor boundary change in the current KGB petition does not address the fundamental constitutional basis for the LBC's 1999 decision. The 1999 decision specifically states that the exclusion of Hyder violated the Alaska Constitution. The technical boundary change in this petition does not "satisfy" the constitution, rather it ensures a permanent and unresolveable Hyder enclave—the precise Constitutional reason the LBC denied the 1999 petition. The result is the State of Alaska will never be relieved of the responsibility for providing all necessary services to the proposed Hyder enclave. Such a result means that the Petition can not satisfy the statutory best interest of the State standard.

We provided a lengthy discussion of these two issues in our comments to the LBC in response to the Preliminary Report. The Final Report prepared by LBC staff failed to address <u>any</u> of the comments submitted by the City of Craig. Why did DCRA choose not to address any of our comments? The purpose of the Final Report is to address the public comments generated by the

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Preliminary Report. Were our comments not worthy of response? Did DCRA decide not to provide any guidance to the LBC in its Final Report? Why doesn't DCRA and the LBC postpone the hearing and direct LBC staff to provide a complete and independent Final Report that addresses the comments and concern of the City of Craig and the Myers Chuck Community Association? Why is it important to DCRA and the LBC to approve this Petition quickly, without a full and fair opportunity to consider the constitutional interpretation issues and due process issues? In light of Mr. Bockhorst now being the KGB Manager, these are fair questions, and remain unanswered by your letter.

Your letter attempts to construct a "timeline," which we assume was included to convince us that there is no appearance of a conflict of interest. The continued advocacy by DCRA in support of the KGB Petition continues to taint the process. Are you telling us that the LBC staff assigned to the final report conducted an independent analysis of the KGB Petition, and came to the same recommendations as Mr. Bockhorst, for all the same reasons, and that in doing this independent analysis, the comments from the City of Craig and Myers Chuck Association were not even worthy of response? Do you not see the appearance of the conflict with staff who are subordinate to Mr. Bockhorst doing the Final Report while he is actively seeking the Borough Manager job? Isn't it an appearance of a conflict of interest that DCRA and its employees did not have the independence to be able to make a recommendation contrary to Mr. Bockhorst's preliminary report, because to do so could jeopardize his chance of being named the Borough Manager?

We wrote in our comments to the LBC in response to the Preliminary Report:

> "The LBC has two choices. It can reject the recommendation of the LBC staff, and deny the Petition because that would be the factually and legally correct decision. The denial of the Petition would be consistent with the Constitutional principles the LBC is obligated to uphold and apply. The denial of the Petition will be consistent with the 1999 Decision.
>
> The second choice is for the LBC to remove the Preliminary Report from the record and to retain an independent consultant to prepare a report not tainted with the appearance of bias and conflict of interest enveloping this Preliminary Report." (Comments on Behalf of the City of Craig and the Prince of Wales Community Advisory Council, p. 17)

Why were these two choices not addressed at all in staff's Final Report? Please explain to us who made the decision not to have an independent person do the Final Report? Why are you continuing to refuse to have an independent person, untainted by the appearance of a conflict of interest, do a Final Report for the LBC? Your timeline offers no explanation for the continued involvement of Mr. Bockhorst's subordinates in the preparation of the Final Report.

Going through your timeline, you indicate that Mr. Bockhorst spoke with the "former DCRA Director" about "policy" on March 26, 2007. Please tell us who that was, and provide us a copy of any memorandum, report, or notes related to that "discussion."

Your timeline, then, does not include any reference to relevant events until June 28, 2007. We take this as your acknowledgment that the KGB Manager position was publicly reported to be

open before June 30, 2007, consistent with our letter to the Governor and our comments to the LBC. What is also missing is mention of any communications between Mr. Bockhorst and the KGB, specifically the former manager. Were there any? Did you review those communications? Did you review the e-mails between Mr. Bockhorst and KGB personnel or representatives? If you did not, why not? We request copies of all correspondence and e-mails between Mr. Bockhorst and any KGB employee, Borough Assembly member or other Borough representative for the period between March 26, 2007 and November 7, 2007.

At the beginning of your letter, you note that your letter is a "thoughtful reply." We assume then that you were being "thoughtful" when you carefully chose the words that Mr. Bockhorst "first became aware of the recruitment for the position on July 31." When he became aware the position was open and when the Borough published a recruitment bulletin are different events. Whether there is an appearance of a conflict is unrelated to when Mr. Bockhorst "became aware of the recruitment." What were the communications, including e-mails, between LBC staff and KGB representatives, from June, when the Borough Assembly publicly accepted the borough manager's resignation, until August 1, 2007? Did you review those communications? Mr. Bockhorst told the Ketchikan Daily News that he was aware of the vacant manager position during the weekend of July 28, 2007. Why the discrepancy between your "timeline" and the newspaper account?

Your timeline refers to a memorandum from Mr. Bockhorst to "the Department Ethics Supervisor" on August 1, 2007. In the interest of fairness and "transparent" government, which Governor Palin has repeatedly stressed in her administration, please provide us a copy of that memorandum and any response from the ethics supervisor.

Your timeline fails to note a lengthy conversation Mr. Bockhorst had on July 31, 2007 with a representative of the Myers Chuck Community Association regarding the KGB Petition. Mr. Bockhorst advised the representative that Myers Chuck should make the case that it has at least as good a case as Hyder for being an enclave. By taking this approach, Myers Chuck would not support inclusion in the Wrangell Borough, as originally expressed by Myers Chuck and reflected in the Wrangell Petition. Did he recuse himself before or after this call? Did you review the records of this call? Mr. Bockhorst told the representative that he had a clock on his desk and that he had just given her 34 minutes of technical assistance. Myers Chuck accepted Mr. Bockhorst's "technical assistance" as reflected in its the association's comments to the LBC. Myers Chuck even obtained the agreement of the KGB for that position. As you know, the Final Report prepared by Ms. McPherson dismissed the proposal of Myers Chuck to be an enclave like Hyder as "clearly unsupported by the facts." The absence of any effort at analysis in the Final Report, after this call with Mr. Bockhorst, raises the appearance of a conflict.

In your concluding paragraph you state there are "discrepancies between the assertions in ... [our] letter and the facts on record." We have not seen the "record" of which you speak. In an often used cliché, the 1998 Preliminary Report, the 1999 Decision, the 2007 Preliminary Report, and the 2007 Final Report "speak for themselves." The irrefutable facts are that the 2007 Preliminary Report advocates for the LBC to interpret the Alaska constitution in a manner diametrically opposite what was advocated by DCCED in the 1998 Preliminary Report, and completely contrary to the decision of the LBC in 1999 on the KGB Petition. It is also a fact that

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during this process Mr. Bockhorst applied for and eventually became the KGB Borough Manager. We did not make "assertions." We began by asking the LBC to retain an independent consultant to complete the Final Report. When that was not done, and the Final Report ignored the comments of Craig, and ignored the apparent conflict of interest, we appealed to the Governor because she has expressed a commitment to open government.

In addition to your letter, we received a letter from Ms. Bockmon in the Department of Law, stating in essence, that, based on your letter, Mr. Bockhorst did not violate the Ethics Act. We did not "assert" or "insinuate" or "complain" of any Ethical Act violation, so we are not clear why we received this letter from Ms. Bockmon. Why was Ms. Bockmon directed to treat our letter as an Ethics Act complaint?

However, since you or someone in the Administration referred our letter to the Department of Law under the Ethics Act, it may be instructive to review the purpose of the Ethics Act in light of your letter.

A.S. 39.52.010 states as the policy of the Act:

a) It is declared that
(1) high moral and ethical standards among public officers in the executive branch are essential to assure the trust, respect, and confidence of the people of this state;
(2) a code of ethics for the guidance of public officers will
(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;
(B) improve standards of public service; and
(C) promote and strengthen the faith and confidence of the people of this state in their public officers;
(3) holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;
(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest...

Do you mean to tell us by your letter that the people of this State should have a high degree of "trust, respect, and confidence" in DCCED that it has acted fairly, openly, and in the best interests of the people of this State with regard to the KGB Petition? Do you mean to tell us that LBC staff's actions, and the refusal of DCRA to retain an independent consultant, and your letter refusing to conduct an investigation of the appearance of a conflict of interest "promotes and strengthens the faith and confidence of the people of this state in their public officers?" Do you mean to tell us that LBC staff conduct, and that of DCRA, is evidence of a "fair and open government?" Do you mean to tell us that Mr. Bockhorst and DCRA have approached the KGB Petition in a manner that "preserves the integrity of the governmental process and avoid conflict of interest?" If so, we would agree and urge the Department and the LBC to review the current KGB Annexation Petition process to date in that light

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We will continue our pursuit of what is right. In a democracy, an open and fair process is fundamental to the trust and confidence of the people. There is no place for even the appearance of a conflict of interest. When an appearance of a conflict of interest arises, the government has an obligation to restore the trust and confidence of the people by taking steps to avoid the appearance of a conflict of interest.

If the LBC adopts Mr. Bockhorst's recommendation, and no independent report is prepared for the LBC, which addresses the comments of Craig, Myers Chuck, and the many others who submitted comments to the Preliminary Report, the people in the unorganized borough in Southeast Alaska will have been denied due process.

In light of the significance to the affected communities and school districts in the unorganized borough, and given the fact that you provided a copy of your October 31, 2007, letter to the LBC, we specifically request the following information, pursuant to AS 40.25.110:

1. All drafts of your October 31, 2007 letter, identifying all current and former LBC staff, who participated or reviewed any of those drafts.
2. All communications, including all e-mails between yourself and any other state employee, with Mr. Bockhorst between October 19, 2007 and October 31, 2007.
3. All DCCED records you reviewed.
4. All records showing that LBC staff was in favor of the KGB 1998 annexation petition.
5. All records from "DCRA policymakers" directing LBC staff to write the preliminary report in 1998 recommending that the LBC deny the KGB annexation petition.
6. All records from any current "DCRA policymakers" to LBC staff regarding the preparation of the Final Report on the current KGB annexation petition.
7. All communications, including e-mails, from all current or former LBC staff persons with Ms. McPherron or any other staff member assigned to prepare the Final Report.
8. Any memorandum, reports, notes, and e-mails. related to the discussion on March 26, 2007 between Mr. Bockhorst and the "former DCRA director".
9. The memorandum from Mr. Bockhorst to the department Ethics Supervisor of August 1, 2007, and the department supervisor's response; and any other communication with the department's ethics supervisor.
10. Any notes, reports, memoranda, and e-mail by Mr. Bockhorst related to his July 31, 2007 conversation with representatives of the Meyers Chuck Community Association.
11. All communications, including e-mails, between any KGB employee, assembly member, or representative between March 26, 2007 and November 7, 2007.
12. The file, including notes and all e-mails, from LBC staff members, from the 1998 and 2007 KGB annexation petitions.

In addition to providing us copies the above records, we request that all the above documents be made a part of the official record of the pending KGB annexation petition.

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There is still time for DCRA and the LBC to do the right thing and either deny the KGB Petition, or postpone the hearing until an independent report is prepared. If not, we are prepared seek the assistance of the Court.

Sincerely,

Jon Bolling
City Administrator

Attachments

Cc w/attachments: Governor Palin
Lynne Smith
Local Boundary Commission
Emil Notti
Mark Davis
Marjorie Vandor
Julia Bockmon
Senator Kookesh
Representative Thomas
Carol Brown
Millie Stevens
Jim Van Altvorst, Van Altvorst & Associates
Robert P. Blasco, Robertson, Monagle & Eastaugh
Prince of Wales Community Advisory Council

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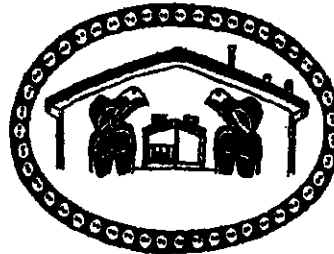

CRAIG COMMUNITY ASSOCIATION

October 19, 2007

Governor Sarah Palin
PO Box 110001
Juneau, AK 99811-0001

Re: Conflict of Interest of Dan Bockhorst Regarding Ketchikan Gateway Borough Annexation Petition

Dear Governor Palin:

We write you with the utmost concern for the appearance of impropriety that pervades the Local Boundary Commission process related to the Ketchikan Gateway Borough Annexation Petition. We write you because we sincerely believe that the people of this State, and in particular the small communities and school districts of Southeast Alaska, are being denied due process and fair treatment directly resulting from an apparent conflict of interest involving Mr. Dan Bockhorst.

Mr. Bockhorst is the senior local government specialist in your administration assigned as the staff to the Local Boundary Commission. On June 30, 2007, Mr. Bockhorst completed a 117 page Preliminary Report recommending that the LBC approve the KGB Annexation Petition. Shortly after completing his report, Mr. Bockhorst applied for the vacant KGB Borough Manager position. On October 13, 2007, KGB hired Mr. Bockhorst as its new Borough Manager under a five-year contract, effective November 1, 2007. He will start with a salary of $110,000, going up to $121,000 in two years.

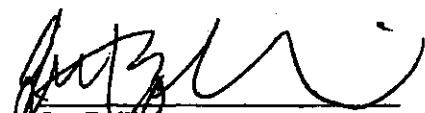
We have attached the response of the City of Craig to the Preliminary Report of Mr. Bockhorst. The importance of a conflict of interest is easily demonstrated. On April 16, 1999, the Local Boundary Commission denied the Annexation Proposal of the Ketchikan Gateway Borough because "the proposal fails to serve all the relevant principles established in the Constitution of the State of Alaska." (Statement of Decision, 1999, p. 14) The reason the Petition violated the Alaska Constitution was because the Petition sought to annex a large area of uninhabited land, while not annexing the only community in that area—Hyder. The reason for annexing the uninhabited land in 1999 was to obtain a significant increase in forest receipts from the federal government. By excluding Hyder, KGB would obtain the forest receipts and not have to provide any services to anyone actually living in the area being annexed.

(907) 826-3275 • Fax (907)826-3278 • www.craigak.com • PO Box 725, Craig, Alaska 99921

Mr. Bockhorst prepared the Preliminary Report in 1998 recommending that the LBC reject the KGB petition because it excluded Hyder, and he specifically pointed out the unfairness of KGB obtaining a significant increase in forest receipts without having to provide any services. The unfairness directly impacts the City of Craig, sixteen communities, and twelve school districts in the unorganized borough in Southeast Alaska, who stand to lose a combined $1.2 million each year if the annexation is approved. To the extent that KGB can annex land currently in the unorganized borough, the current forest receipts of the communities and school districts in the unorganized borough will be reduced dramatically in proportion to the land annexed by KGB. Mr. Bockhorst also stated in his 1998 recommendation to reject the Petition that the annexation without Hyder would violate the Alaska Constitution.

KGB submitted the pending Petition in 2006. As it did in 1998, this Petition excludes Hyder. If the Petition is approved by the LBC, KGB will receive an additional $1,200,000 in forest receipts per year.

After KGB announced the vacancy of its Borough Manager position, Mr. Bockhorst submitted his report to the LBC completely reversing his recommendation of 1998. Although nothing had changed, he now stated to the LBC that the Constitutional had sufficient "flexibility" to allow KGB to annex the uninhabited land and exclude Hyder. Shortly after submitting that report, he applied for the KGB Borough Manager position.

The LBC scheduled the public hearing on the KGB Annexation Petition for November 6, 2007, and scheduled the decisional meeting on that Petition for November 7, 2007. We respectfully request that you immediately:

1. Direct the LBC to cancel the public hearing until the Attorney General can conduct a full investigation into the apparent conflict of interest;
2. Direct the Attorney General to conduct a full, thorough, and open investigation of the conflict of interest.

You have repeatedly stated that your administration is "transparent" and you have repeatedly stated that your administration will not tolerate any appearances of impropriety or conflicts of interest. We have to trust that you will recognize the seriousness of this situation and honor your commitment to the people of the State. This is especially true when you consider that the final report on the proposed annexation does not address the concerns we raised about the preliminary report.

We truly cannot believe that you will allow the LBC to go forward on this Petition without conducting a full investigation into these circumstances. We request that you consider the

devastating impact on the school children in the unorganized borough of the loss of $1,200,000 per year in school funding, which cannot be allowed constitutionally or under the unquestionable appearance of a direct and serious conflict of interest.

We look forward to your prompt action and response in light of the pending LBC hearing on November 6, 2007.

Jon Bolling
City Administrator

Millie Stevens
Tribal President, Craig Community Assn.

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Community & Regional Affairs

Sarah Palin, Governor
Emil Notti, Commissioner
Tara Jollie, Director

October 31, 2007

Mr. Jon Bolling, City Administrator
City of Craig
P.O. Box 725
Craig, Alaska 99921

Dear Mr. Bolling:

As Director of the Division of Community and Regional Affairs (DCRA) which provides staff support for the Local Boundary Commission, I was asked to respond to your letter of October 19, 2007. This letter alleges a conflict of interest on the part of Dan Bockhorst, DCRA lead state staff to the Local Boundary Commission. Your letter claims Mr. Bockhorst's role in the pending Ketchikan Gateway Borough (KGB) annexation proceedings, past and present, and his recent appointment as KGB Manager offered to him October 13, 2007, substantiate your conflict of interest claim against him.

Your letter also asks that the Governor direct the Attorney General to investigate this conflict of interest claim, as well as direct the Local Boundary Commission to cancel its November 6, 2007, public hearing on the Ketchikan annexation proposal until the Attorney General's investigation is complete.

I carefully reviewed DCRA records to compare the actions on record with allegations made in your letter in order to provide you with a thoughtful reply. I also wanted to determine if DCRA had anything in our records that supports the statements in your letter and/or supports your request for an official investigation and cancellation of the Ketchikan annexation proposal public hearings scheduled for November 6, 2007.

Your letter asserts that (1) after KGB announced the vacancy of its Borough Manager position, Mr. Bockhorst submitted his report to the LBC completely reversing his recommendation of 1998. You also claim that (2) although nothing had changed, Mr. Bockhorst now stated to the LBC that the Constitution had sufficient flexibility to allow KGB to annex the uninhabited land and exclude Hyder. You further claim that (3) shortly after submitting that report, he applied for the KGB Borough Manager position. These statements are not based on facts. DCRA records clearly show the following:

550 W. 7th Avenue, Suite 1770, Anchorage, Alaska 99501-3510
Telephone: (907) 269-4501 Fax: (907) 269-4539 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/dca/

Regarding assertions (1) and (2) which discuss a recommendation in the 1998 proposal that is different in the current proposal, and your assertion that Mr. Bockhorst completely reversed his 1998 recommendation to the LBC. These assertions are not true. It is important to note that the 1998 recommendation reflected the policy direction of a prior administration. Staff, including Mr. Bockhorst, does not set policy. The prior administration's policy is noted clearly in the *DCCED Preliminary Report to the Local Boundary Commission Regarding the Petition for Annexation of Approximately 4,701 Square Miles to the Ketchikan Gateway Borough*, June 30, 2007, p. 96, n. 67.

> "DCRA policy makers in the Knowles Administration (i.e., the Office of the Commissioner and the Director, as contrasted to the LBC Staff Component), opposed the prior KGB annexation proposal. Reflecting the views of the DCRA policy maker's, DCRA's preliminary report stated the following with respect to the standard at issue here:
>
> In the view of DCRA policy makers, significant adverse financial impacts on communities in the unorganized borough are a more important consideration than the constitutional principles in this particular instance."

Furthermore, contrary to your insinuation that the pending KGB annexation proposal differences are attributable to the personal motives of Mr. Bockhorst, the pending proposal is significantly different from the 1998 annexation proposal for substantial reasons including the following:

Among the important differences is the inclusion of Meyer's Chuck and extensively different boundaries for the proposed Hyder enclave. Those different boundaries for the Hyder enclave address particular concerns expressed by the Local Boundary Commission in its 1999 decision. Further, Exhibit K of the current Petition provides a thorough discussion by the Petitioner of justification for postponing the annexation of Hyder and the future circumstances which may lead to its inclusion in the Ketchikan Borough.

Regarding assertion (3) that shortly after completing the preliminary 2007 report, Mr. Bockhorst applied for the KGB Borough Manager position, our records clearly shows this timeline of events:

March 26, 2007: Mr. Bockhorst began his analysis of the Ketchikan annexation proposal at which point he discussed policy aspects of the proposal with the former DCRA Director.

June 28, 2007: Mr. Bockhorst's work on the 2007 preliminary report was complete and forwarded to the DCRA publications technician for formatting and publication.

July 29, 2007: Just over one month after Mr. Bockhorst completed his work on the annexation proposal for the Department's 2007 preliminary report, the Ketchikan Gateway Borough first announced that it was recruiting for a Borough Manager.

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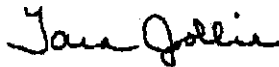
August 1, 2007: In accordance with the Executive Branch Ethics Act, Mr. Bockhorst wrote a memorandum to the Department's Ethics Supervisor disclosing that he had an interest in applying for the Ketchikan Borough Manager position. Mr. Bockhorst stated in this memorandum that he first became aware of the recruitment for the position on July 31. In that memorandum, he recused himself with respect to any and all future dealings regarding the Ketchikan annexation proposal. Mr. Bockhorst's work regarding the Ketchikan annexation proceeding was immediately reassigned to Ms. Jeanne McPherren.

October 15, 2007: Ms. McPherren, not Mr. Bockhorst, independently prepared the 2007 final report regarding the Ketchikan annexation proposal.

To conclude, given the discrepancies between the assertions in your letter and the facts on record, I find no basis to support or recommend that the Local Boundary Commission cancel or postpone its upcoming hearing. Furthermore, I find no reason to support your request for an official investigation into a conflict of interest claim against Mr. Dan Bockhorst.

If you have any questions regarding this letter, I can be reached directly at 907-269-7959.

Sincerely,

Tara Jollie

Tara Jollie, Director

cc: Governor Sarah Palin
Lynne Smith, Special Assistant to Governor Palin
Local Boundary Commission
Emil Notti, Commissioner, DCCED
Mark Davis, Ethics Supervisor, DCCED
Marjorie Vandor, Assistant Attorney General, Alaska Department of Law

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